Tells the Facts and Names the Names

CounterPunch

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Gangsta Rap

"The legal basis for the raids was shaky. Yet when it comes to dealing with a proven international menace like Mr. Hussein, law may sometimes have to yield to power."

— *The Economist,* September 7, 1996

Part One: Stars and Money

A Tale of Two Babylons

Last September 12 some 1,500 of Hollywood's most beautiful people mustered at Greenacres, the old Harold Lloyd estate in Beverly Hills, and listened to Barbra Streisand serenade Bill Clinton. On hand were Tom Hanks, who won a jocular presidential dispensation to play the Clinton role in Mike Nichols's version of *Primary Colors*; Clinton groupie and versifier Maya Angelou; New Age diva Shirley MacLaine; Sharon Stone; and entire galaxies of starlets.

Gradations of access were marked with a precision worthy of the *Almanach de Gotha*. A check for $1,000 got a guest past the front gate. $4,000 purchased the right to attend the outside concert and listen to Streisand, the Neville Brothers and the Eagles. A rather more substantial check for $12,500 bought entry to the house itself and a seat at a banquet honoring the president. By the end of the evening, the guests had ponied up more than $4 million, duly remitted by the hosts of the event – Stephen Spielberg and David Geffen – to the Democratic National Committee. As of April of this year these two had accounted for one-sixth of the cash in the Clinton-Gore campaign coffers for 1996.

The bash at Greenacres was the third Democratic fund-raiser organized by Geffen and Spielberg, two of the biggest impresarios in Los Angeles. The first fundraiser, held back in February was for a select twenty of Tinseltown's top new moguls, raised $1.7 million. The second, in March, featured actors and recording stars rather than studio heads and brought in another $1.3 million. Clinton attended all three soirees.

Entertainment money has always been a magnet for politicos. But the Clinton White House has been particularly unrelenting in its focus on Hollywood, and the investment of time has been a rewarding one. By July 1, 1996, the entertainment and communications industries had sunk $7 million into the Democratic National Committee in the previous six months, and this is only counting contributions of more than $10,000.

Of the top six largest contributors to the Democratic Party, four are in the entertainment/communications sector. From the top: Seagrams/MCA, Disney, Dreamworks SKG and MCI. MCA is no stranger to Democratic funding. Jules Stein's empire, which contains Universal, has seen Lew Wasserman and Sidney Scheinberg collect enormous sums down the years for the Democrats. Seagrams, now joined in corporate matrimony with MCA, has long been a Republican backer. Disney is Hollywood's biggest corporate contributor to the Democrats. Dreamworks SKG stands for Spielberg (net worth $750 million), Jeffrey Katzenberg (net worth $250 million), and Geffen (net worth $1.3 billion). The other partners in Dreamworks SKG are Bill Gates, who's battling it out with the Sultan of Brunei for the title of world's richest human, and Gate's Microsoft partner Paul Allen, third or forth richest human in America.

Of course Hollywood plays it both ways, though there are some contributors clearly identified with one or other of the parties. Geffen and Katzenberg give only to the Democrats. Spielberg hedges his bets; he gave $50,000 to Gov. Pete Wilson's presidential campaign and is one of the Republican LA mayor Richard Riordan's major funders.

After Vice President Dan Quayle set the terms of political rhetoric in 1996 with his 1992 attack on the family values

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of Murphy Brown, Clinton got a late and crucial wad of Hollywood money, drummed up by Los Angeles lawyer and later Secretary of Commerce Mickey Kantor and by Clinton's fellow Arkansan Mary Steenbergen, with whom the governor dined in Little Rock the night Arkansas reintroduced the death penalty at the level of practice.

Since the Quayle attack on Tinseltown's antinomian values, Streisand has given $143,000 to the Democrats, Don Henley (lead singer of the Eagles) $108,000, Dustin Hoffman $97,000, with Paul Newman, Bonnie Raitt, Gail Zappa (Frank's widow) and jazzman Lionel Hampton all kicking in more than $50,000. Still, the Republicans draw near equivalent amounts, over $6 million since January. Time/Warner leads with $290,000 to the GOP, followed by Ticketmaster, Disney, Tracinda Productions, Sony, and Viacom (Sumner Redstone's $2 billion a year cable and video retail enterprise).

Mickey Kantor was once described by Jack Valenti, the ageless lobbyist for the entertainment industry and the president of the Motion Picture Association of America, as "a heroic battler for Hollywood", and this raises the important question – what exactly is this sluice of money buying by way of influence or favors?

As long ago as 1946, Hollywood was successfully using its lobbying might to enlist the US government in efforts to batter down national quota systems protecting the British, French and Italian film industries. By the 1950s this mostly successful campaign was widening, in the effort to finish off all international competition and finance domestic losers with overseas revenues. Washington heartily applauded, subsidized Hollywood's overseas marketing campaigns and urged films supportive of the American way.

As of April, Spielberg and Geffen accounted for one-sixth of the cash in the Clinton campaign coffers.

A most graphic illustration of this lobbying zeal was when President Ronald Reagan broke free of a stultifying speech to the Canadian parliament in Ottawa on the merits of international cooperation to thunder his indignation at Prime Minister Mulroney on the possibility – mooted by Quebecois nationalists – that there might be some form of quota on Hollywood's exports to Francophone Canada. Under the approving gaze of Valenti, Reagan decried this as an appalling notion, contrary to all known democratic principles. A chastened Mulroney said something would be done, and indeed it was. Baffled by the presidential veer into entertainment matters, the international press corps assembled in Ottawa failed to comment on the incident.

Today, the biggest *quid* for the *pro quo* of campaign contributions is Hollywood's desire for the US government to push for implementation of the GATT agreement and kick down the last barricades to total US domination of global film production and distribution.

Hollywood's hopes have not, thus far, been entirely realised, since the European Economic Community, led by the French, Italians and Spanish, has maintained some quotas that, according to the ever-vigilant Valenti, "represent an epidemic of European cinema industry anti-Americanism ... All this fervor has one objective – to exile the American film/TV industry from Europe and shrink the reach of American audio-visual material which is hugely popular with citizens of the EC countries".

The sort of restriction that peeved Valenti is the EC stipulation, pressed by the French, that 60 percent of air time on all TV stations in the Community show product originating in European studios. Valenti rages that, "this amounts to a serious threat to the future of American movies and TV programs".

Another obsession of the Hollywood studios is the subsidy system for movie-making in EC countries, some $700 million a year for the entire Community, roughly the equivalent to the budgets of seven Sylvester Stallone movies. This last calculation has not prevented the Hollywood studios from making subsidies a major issue in trade negotiations, though they have thus far been unsuccessful.

But in the last two years these trade matters have been outshone by the biggest prize in half a century: telecommunications "reform", which found its final, unlovely expression in the Telecommunications Act signed by Clinton in February of this year. At stake was everything from the ability of phone and cable companies to merge, to deregulation of cable rates, ending of restrictions on how many radio stations in any one city a company might own, sale of public frequencies, as well as the V-chip. Hollywood money flowed lavishly on both sides of the political aisle and when the dust settled, the entertainment industry had achieved a splendid victory.

The Clinton era has spawned some particularly interesting co-productions between the White House and Hollywood, perhaps none more redolent of

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Note to Our Readers:

First the good news: we recommence our fall schedule with a special ten-page edition of **CounterPunch** *– about double our usual size. And the bad news? We apologize for the delay in re-starting after the August break, both the editors were travelling in early September.*

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hypocrisy than the three hours per week of prime-time children's programming agreed upon by the major networks last July. This agreement, glowingly touted by Tipper Gore in the party convention in Chicago, omitted what is commonly regarded as the *sine qua non* of any decent children's TV programming – absence of commercials.

From the White House's point of view the biggest political plus, beyond dollars for the campaign chest, has been the cachet of Hollywood support for the administration's supposed triumphs in the environmental sector.

In the old days, candidates craved a manly whack on the shoulder from John Wayne or Charlton Heston, or the more sensitive salutation of Gregory Peck or Paul Newman. These hopes still prevail to a certain extent. But nowhere is New Hollywood more potent than in giving a thumb's up for a party's or a candidate's efforts on behalf of threatened habitats, recycling, endangered species and the Amazon rainforest. This year the Clinton team has belatedly realized that the enviro vote – particularly from Republican women – is vital, and the Democrats have a huge green edge in the public mind. Thus, endorsements from such supposed enviro stars as Streisand, Robert Redford, Ted Danson and Bonnie Raitt are regarded as political gold.

Of course – **CounterPunch** has illustrated this point many times – talk of substantive difference between Democrats and Republicans is mostly nonsense. As the *Wall Street Journal* took pains to point out in a news article on September 9, "both parties are likely to continue a trend begun in the late 1980s, toward more flexible environmental regulation that is less intrusive for businesses and individuals".

The charade of Clintonian green-ness has not only been very useful to the White House, it has also helped such major Hollywood enterprises as Dreamworks. That company's reputation, like that of the now tarnished Disney operation (following the failed effort to build an entertainment center on Manassas Battlefield in Virginia), depends on public identification of the corporate endeavor with respect for nature and enhancement of the warmer virtues.

To see this confluence of interests working in harmony, let us now turn to the example of Dreamworks SKG. ■

Part Two: Spielberg's City

The Curse of Dreamworks

"A curse hangs over this land." Vera Rocha, chief of the Shoshone Gabrielino Indians, is talking to us about the single most valuable undeveloped property west of the Rocky Mountains, a thousand acres of wetland and floodplain between Marina Del Rey and Los Angeles International Airport. Right now a gigantic poker game is being played over this tract. At stake: a $7 billion venture that is billed as the biggest real estate development in the history of Los Angeles.

Central to the deal are three of the most powerful men in the entertainment industry: Spielberg, Katzenberg and Geffen. If they have their way, Spielberg's office building for the new Dreamworks Studios will rest directly on an Indian burial ground and his studio lots will help obliterate the last wedge of open space in LA.

Last December, in a weird if unintentional parody of Moses surveying the Promised Land, Spielberg was lifted by crane to the exact position of his future office so that he could gaze upon the vista now pleasingly green, though soon to fall to the bulldozer's blade. If the deal succeeds, between Spielberg's future office and the Pacific will rear up five million square feet of shops and offices, 13,000 condominium units, two hotels, a marina and film and recording studios. In all, a fair-sized city.

In attendance upon Spielberg that December day were Los Angeles mayor Richard Riordan, Governor Pete Wilson and assorted celebs and politicos. Wilson turned to Riordan and said, for the benefit of the audience, "Richard, when I was mayor I would have sold my family to get a development like this in San Diego." "I tried to sell my family," Riordan responded gallantly, "but they wouldn't leave."

The festivities were briefly interrupted by environmentalists dressed up in frog costumes to protest the destruction of the last big wetland in LA, home to five endangered species. "When our studio's completed," Spielberg told the audience smugly, "all the frogs in LA will be welcome. You know much of ET's facial features were based on frogs."

When reporters that day queried the Dreamworks executives on how they would deal with the environmental protests over the project, Katzenberg said, "Hey, we're great guys. We're all big philanthropists". Spielberg's people also discounted the concerns of the Indian tribe, saying that Vera Rocha and her allies "were being manipulated by the environmentalists."

Rocha shakes her head at such talk. "These people don't know how much we are using the environmentalists." Then she continues her account of the curse of the Ballona wetland. Originally, the wetlands covered 2,500 acres, with Ballona Creek creating a lush estuary where gray whales would come to calve. Grizzly bears roamed the bluffs and beaches. The entire wetland was a major staging area for more than 250 species of migratory birds, including the rare brown pelican, Bell's vireo and the Least tern.

Ballona was also one of the most important Shoshone settlements and gathering area for medicinal plants. During the Spanish conquest of California, the Franciscan missionaries swept the Shoshones off their land and into indentured servitude at the San Gabriel Mission, founded in 1771. For more than 150 years, the Shoshones were forced to work the agricultural operations of the missions and were often sold off as laborers to the big ranching operations of southern California. This period of servitude lasted until the mid-twentieth century.

Rocha was raised on the San Gabriel mission, raped by a Catholic priest as a teenager and, when she threatened to run away, was told the fathers would cut her feet off. She finally escaped the mission in 1950. But she says it was not until 1980 that the Shoshone people were allowed to practice their own religion, after President Jimmy Carter signed the American Indian Religious Freedom Act.

The soggy landscape of Ballona had largely defied development until the 1940s, in which decade the Army Corps of Engineers subdued Ballona Creek by diverting the water into a concrete trench. The area was then bought by Howard Hughes. Workers soon un-

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Closet Senators Outed

The Defense of Marriage Act, which prohibits federal recognition of same sex marriages and which President Clinton has promised to sign, breezed through the Senate in early September, with the support of a number of gay or bisexual senators. According to San Francisco gay activist Michael Petrelis, Democratic Senators Barbara Mikulski of Maryland and Herb Kohl of Wisconsin, along with Republican Mark Hatfield of Oregon, have all had gay lovers.

In gay circles, the sexual preferences of the three outed senators is an open secret. Indeed, all have been targeted by outing activists in the past. In 1993, a Washington gay magazine said of Kohl: "Kloset Kase Kohl ... is fondly remembered as the 'Dairy Queen' by former dancing cowboys who used to have their hoofs licked by him at the old Chesapeake House [a nightclub that featured nude male dancers]."

Gays are most angered by Mikulski's support of the Defense of Marriage Act; the internet is abuzz with messages from people vowing revenge for her treachery. "Babs voted for [the Act] like the other closet cases ... but the others are arguably people who might have been gay once in their lives — Hatfield, Kohl — and are now married, even if it's a sham ... certainly not candidates for same sex marriage themselves. Babs is a dyke, has had lovers, is not married, still sees women — is totally not what you'd say is closeted or in denial or trying to cover something from years ago".

Stories about Hatfield date back to the early 1960s. When Hatfield served as Dean of Students at Willamette University in Salem, Oregon, there was much talk of his having sexual relations with a male student who died under suspicious circumstances. More recently, allegations have surfaced that Hatfield has maintained a twenty-year long liaison with his chief political advisor Gerry Frank, scion of a Portland business empire and a long-time columnist for the *Oregonian*, known for the baroque decor of his personal bathrooms.

Hatfield is a born-again Christian. He has benefited from half a million dollars in forgiven loans from his "prayer circle", a fine case of doing well by doing good, and a vindication of Christ's parable of the talents.

Petrelis said that outing the senators as a means of exposing their hypocrisy on the Defense of Marriage Act was not a violation of privacy. "We're asking the American media and people to apply the same standards when reporting about how the 'private' lives of politicians affects their public duties. I can't think of a single reporter decrying the 'violation' of Dick Morris's privacy last week. Indeed, everyone in America now knows about how Morris, a heterosexual, engaged in toe-sucking sexual practices with a female prostitute."

Petrelis did not out another reportedly gay supporter of the Act, Republican Larry Pressler of South Dakota, because he couldn't confirm his suspicions. Two reporters called Petrelis to ask about this apparent omission, with a journalist from the *New York Daily News* informing him that Pressler is known as "the prairie fairy". As we detailed in *Wasington Babylon*, Pressler has in the past been a regular at gay gatherings in the capital. Steve Gobie, former lover of Rep. Barney Frank, says Pressler was known familiarly as "Telephone Pole Pressler."

Pressler has told the South Dakota press that he was proud to vote for the Defense of Marriage Act because "My own values are very traditional. The collapse of marriage and family in this country is the core of all other social ills".

Many gay activists are also angry at the Human Rights Campaign, one of the largest gay civil rights groups, which endorsed Clinton back in February and has been shilling for him ever since. On the Defense of Marriage Act, the Campaign did not activate its membership to lobby against the bill so as not to embarrass the president. One San Francisco gay newspaper said that the Campaign's efforts on the Defense of Marriage Act were so incompetent that "it made the gays in the military debacle look like the good old days." ■

What Dick Told Sherry

Sherry Rowlands's disclosures about Clinton's strategist, Dick Morris, usefully display the propensity of White House advisors to parlay their access into cash. Eyeing her feet excitedly in his Jefferson Hotel suite last December 6 the stocky podophile, in Sherry's words, "told me of how he met with an old associate, and that this man was a liaison to important Arabian princes and kings. And that they needed to know if he [Morris] would be a buffer between our president and themselves because they don't trust our government officers. Dick accepted this position and was in total awe that he and his wife were invited to the Moroccan palace!"

Thus did Rowlands confide Morris's indiscretions to her diary, later sold to *The Star* for large sums. In other words, Morris acted as lobbyist for foreign powers such as Morocco. We have checked the files at the Justice Department, and at no time did Morris register as a foreign lobbyist, as the law requires. **CounterPunch** readers may recall similar derelictions by Morris's rival, James Carville, who failed to disclose that he was acting as advisor to Fernando Henrique Cardoso during his presidential campaign in Brazil.

Rowlands interrupts her lobbying disclosures to report Morris's view that his former client Newt Gingrich "has a very large sex drive," then offers a garbled account of how they "lay holding each other and [Morris] recounted the President's Mideast deal, where Clinton would act like OPEC and put a levy price on crude so they can pressure Iran. The President said he loved the idea, and to keep him posted. Dick was in awe of how no questions about this whole deal came about!"

All this proves the Cold War is well and truly over. In the old days such entanglements between call girls and johns with high-level White House access invariably provoked bellowings about national secrets being whispered on the pillow. Amid Morris's disgrace, the heaviest charge laid against him was that he had a thing about toes and gave Rowlands advance word that life might exist on Mars. The fact that he was also working as a Moroccan lobbyist escaped attention. ■

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The Liberal Press:

Sleeping Dogs Lie

Though the Democratic Convention in Chicago kicked off just a few days after Bill Clinton signed a welfare bill that will push millions of people into poverty, there were few protests from party liberals; nor was there any pressure from what passes for the liberal press to urge them to do otherwise.

The Nation has run a slew of stories on Bob Dole, including a number that sought, with striking lack of success, to damage the GOP presidential candidate's image. The magazine devoted more than 6,000 words to a cover story on Elizabeth Dole's tenure at the Red Cross, though the article's findings were meager indeed. Among the revelations was that Elizabeth Dole had helped shore up "Bob Dole's standing with the Christian right ... [by taking] to the hustings while in office at the Red Cross to give frequent speeches about her born-again Christian commitment".

The story also reported that board members at the Red Cross include many of Bob Dole's campaign contributors, such as corporate executives from Martin Marietta, American Express, BellSouth, Bristol-Myers-Squibb and Inez Andreas, wife of "Dole superbooster Dwayne Andreas". The list was offered as proof that Mrs. Dole had "politicized" the Red Cross, though given that all of the CEOs who were named and/or their companies are also big donors to the Democrats — this wasn't mentioned in the story — *The Nation* could just as easily have concluded that Elizabeth Dole was sabotaging her husband's political career by installing Clintonite fifth columnists at her own organization.

Most ludicrous was *The Nation*'s August 12/19 story asserting that the GOP and Dole had inflated the Republican candidate's record during World War II, when he suffered a combat injury that left his right arm useless. Author Robert Ellis confessed high up in this five-page article that he had no information which would suggest "that Dole failed to perform his duties honorably, or that he does not deserve respect and sympathy for the terrible wounds he suffered". That said, Ellis sought to smear Dole by asserting that his combat unit was never known as a "suicide squad", as Dole once said, and by suggesting that Dole shouldn't really be considered a hero because "dragging a wounded (or dead) comrade into one's shell hole [as Dole once did] was a common occurrence in the heat of battle".

If this style of anti-Dole reporting continues in the few weeks that remain, *The Nation*'s intrepid reporters will soon be digging up Dole's record as a Cub Scout and reporting that he failed the workshop in knot-tying and didn't always clean his plate.

(Here's one confirmed case of a politician knowingly inflating his own heroism that *The Nation* has yet to note. Back in 1992 candidate Bill Clinton told of putting a halt to the beatings his mother, Virginia Kelly, suffered at the hand of her husband and Clinton's stepfather, Roger. "I just broke down the door of their room one night when they were having an encounter and told him that I was bigger than him now, and there would never be any more of this while I was there," Clinton told Joe Klein, in a widely recycled anecdote. But Clinton's testimony in his mother and stepfather's divorce found the future president saying, "The last occasion in which I went to my mother's aid, [Roger] threatened to mash my face in if I took her part.")

The Nation will next be digging up Dole's record as a Cub Scout and reporting that he didn't always clean his plate.

Mother Jones has produced cover stories on every bogeyman in the GOP arsenal: the National Rifle Association, the Religious Right, Rush Limbaugh, Phil Gramm and the tobacco industry. The latter, which came after Clinton had escalated his attacks on cigarette makers, was a two-fer, as the magazine got Bob Dole on the cover dressed as the Marlboro Man.

House Speaker Newt Gingrich, the subject of no less than half a dozen stories in its past ten issues, has been *Mother Jones*'s favorite target. A few samples include articles about Newt's lucrative connection with Rupert Murdoch, the shady operations at GOPAC, his political action committee and Newt's legislative favors for Golden Rule, a big campaign donor.

Variations of these same stories could easily be written about any number of Democratic Party political figures, as *Mother Jones*'s Jeffrey Klein candidly wrote in a May/June 1995 *Editor's Note*: "For every Newt, the Demos have a Ron Brown. For every Newtian financier who wants to make a marketplace killing ... the Demos have a client being serviced through their favorite investment banking firm, Goldman Sachs."

Why, one wonders, has *Mother Jones* devoted so little space to reporting on these Democratic scoundrels? For instead of challenging its readers — with exposes, for example, of Sen. Bill Bradley's intimate ties to New Jersey's drug manufacturers or Sen. Chris Dodd's flacking for Wall Street — the magazine has served up fawning portraits of Democratic Party players. One article on Robert Reich, written by Eric Alterman, who also is a regular contributor to *The Nation*, detailed the labor secretary's utterly doomed bid to cut corporate welfare. (Alterman is a close friend of Clinton aide George Stephanoupolos. When his proximity to power landed him on the list of suspected authors of *Primary Colors*, Alterman denied the charge by saying that for the rumor to be true, "You'd have to believe that George would betray the Clintons and that I would betray George.")

The more squarely neoliberal *Washington Monthly* has also demonstrated far more zeal in bashing the GOP than the equally vulnerable Democrats, though it's been less heavy-handed in its coverage than the other liberal magazines. For example, last May it ran a lengthy report on how Arthur Coia, the sleazy head of the Laborers' International Union of North America, has reaped big benefits by making hefty political donations to the Democrats (a story **CounterPunch** covered months earlier). This was the **only** major story any of the three magazines published during the surveyed period which focused directly on Clinton's wheelings and dealings — quite remarkable given that his government is under investiga-

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tion by four independent counsels, a record for any presidency.

Even more striking than what the liberal magazines have reported is what they haven't. All three have steadfastly refused to cover Whitewater, even as that scandal has gained more attention in the mainstream press and after a jury in Little Rock convicted some of Clinton's closest political associates last May.

Neither *The Washington Monthly* nor *Mother Jones* has run a single story on Bill Clinton and Whitewater, though the former has carried stories on how the Republicans have exploited the scandal and the latter had an article on "Republican Whitewaters". *The Nation* has thoroughly covered Whitewater, with six major pieces on the scandal. All but one of these attacked independent counsel Kenneth Starr's investigation into the affair, while skirting the Clinton/Whitewater story.

Equally deafening has been the liberal press's silence on Travelgate, in which Billy Dale and six other White House travel office employees were fired by the Clintonites on trumped up charges. *The Washington Monthly* and *Mother Jones* have had little or nothing to say on the case. In *The Nation*, Washington correspondent David Corn called Travelgate a "petty matter".

The liberal magazines have also been largely untroubled by Filegate, by which the White House illegally obtained FBI files on nearly 1,000 private citizens who had left government service. The Clinton campaign offered up at least four different versions of what happened, finally pinning the blame on Craig Livingstone, director of the White House office of personnel security. No one admits to having hired Livingstone, though this "dirty tricks" veteran of past Democratic campaigns did quite well for himself during his three years at the White House. While his salary rose from $45,000 to $63,750, the White House cut staff by 25 percent.

Once again, one can imagine regular articles denouncing Filegate if this assault on civil liberties had taken place under Ronald Reagan. But *Mother Jones* and *The Washington Monthly* have thus far demonstrated little interest in exploring the affair. *The Nation*'s only editorial comment came in four paragraphs, critical in tone but credulously arguing that the list of files the White House picked for examination had perhaps been only a harmless "bureaucratic creation". ■

Dinner with George

Bob Dole doubtless cherishes warm memories of his tenure at CREEP (Committee to Reelect the President) in the early 1970s. Those were the days when the captains of business could dump unlimited cash in the coffers of presidential candidates and the requisite political payoffs could be returned blatantly and without much fear of public obloquy. Dole's man Richard Nixon certainly had a golden touch for political cash, particularly with big oil — an industry with which Dole himself has maintained a fruitful 30-year long flirtation.

Back in Nixon time, the size of individual and corporate political contributions was staggering. Take the offerings to RN from just three oil barons: the Mellon family, founders of Gulf Oil, $290,000; the Pew family, owners of Sun Oil, $208,000; and Robert Anderson, boss of ARCO, $150,000. Nixon's expression of gratitude for these gifts was swift and generous. He transferred oil policy-making out of the Department of Interior to the White House, where it could be expertly handled by Peter Flanigan, formerly an oil industry lawyer at Dillon, Read. When lucrative oil reserves were tapped in South Vietnam by Sun, Gulf, ARCO, and others, the companies pressed Nixon to manage the war to protect their interests. He was all too eager to comply. Robert Sherrill tells the whole story in his book *Oil Follies*.

After Nixon's fall, things changed. It became somewhat more difficult for corporate executives get money directly to the politicians who could do them the most good. For example, strict $1,000 limits were placed on individual donations each election cycle and corporations were prohibited from giving directly to federal candidates. New laws stiffened the regulations governing political favors to contributors.

But politicians and corporate executives are effective crisis entrepreneurs, especially when it comes to influence peddling. Both political parties quickly developed innovative and sometimes comically complex solutions to the new legal impediments. Today the main back channel for political pay-offs is found in the soft money gifts to the political parties themselves. In theory, this money cannot be used to assist individual candidates. In theory. The reality is mich different as Dole discovered this spring when he was relentlessly pounded by ads run by the Democratic National Committee, its vaults brimming with corporate slush.

What do donors get for their money? Potential contributors to both parties are offered a hierarchical system of rewards based on the contribution level. The kickbacks range from receptions with mid-level congressional leaders for $2,500 a year to tennis and golf outings, and "industry briefings" with "respective congressional committee heads" for $15,000 a year. A uniquely Republican variation on this offer is an afternoon of skeet and trap shooting with Newt Gingrich and Tom DeLay.

The real rewards don't become manifest until donors top the $50,000-a year level. At this high-altitude stage, each contributor is assigned a national committee staff member to "help in their personal requests", such as problems with impertinent government regulators or advice on where to craft new loopholes in the tax code. The Democrats call their $50,000 contributors "Trustee Members," urge them to join the secretary of commerce on foreign trade missions and invite them to two meetings a year with the vice president and one evening session with the president. In the Republican version, elite donors are offered a weekend in Aspen skiing with Dan Quayle, and promised even bigger rewards should Dole topple Clinton in November.

In one particulatly shameless effort, the Democrats have put George Stephanopoulos on the auction block. The bidding price for dinner with the boy toy of the administration: anywhere from $100,000 to a half million dollars. Thus is political happiness purchased in the age of Clinton. If Morris had offered favor seekers dinner with himself and Sherry for a cool million, there would have been plenty of takers and no eyebrows raised. He should try it, as part of his rehab campaign. ■

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Tennis Shoes & Free Speech

Much has been written about how US shoe companies have exploited Third World workers, especially Nike's labor practices in countries such as India, Pakistan, China and Indonesia. In the latter, workers receive wages of a few dollars a day, overtime is mandatory and workers are punished by company goons for minor infractions. One supervisor took a day off to care for his sick wife and child and was swiftly demoted, in addition to being forced to clean toilets. Indonesian officials have been quoted as saying that they keep the minimum wage low because "your companies give us no choice, they'll move to Bangladesh or China".

Less is known about the pr campaign that Nike's boss, Phil Knight, has undertaken to burnish his company's image here at home. Over the summer Knight met with President Clinton in Washington and announced that he and Kathie Lee Gifford, daytime TV's sweatshop queen, were helping set up an anti-sweatshop task force. Nike has made some improvements — following years of bad publicity — but still refuses to allow independent inspections at its plants.

As part of its promotional campaign, Nike has signed multimillion dollar deals with sports teams at ten universities. Several of these schools have been only too eager to sell their souls for sneaker dollars. In return for $8 million, the University of Michigan allowed Nike to design the school's new logo, required student athletes to wear the logo, prohibited them from covering it on their uniforms and promised that coaches would participate in confidential testing of products and make promotional appearances for the shoemaker.

The University of Wisconsin agreed to an even more remarkable deal with Nike's chief rival, Reebok. The company paid the school $7.9 million to put its logo on Wisconsin team uniforms and won a clause in the contract which said that the "University will not issue any official statement that disparages Reebok, University's association with Reebok, Reebok's products, or the advertising agency or others connected with Reebok. Additionally, University will promptly take all reasonable steps necessary to address any remark by any University employee, agent or representative, including a coach, that disparages Reebok." This clause reassuringly stated that nothing in the contract should be construed as an attempt "to abridge anyone's First Amendment rights". This clause was withdrawn after details of the contract — provided to us by Jeff Ballenger of "Press for Change" — were leaked to the local press.

The shoemakers have courting other universities. The University of Oregon recently accepted $25 million from Nike to help build a law school and politely named a wing of a campus library after CEO Knight. University Vice President Brodie Remington shrugged off protests, saying that "making judgments about how money was made and whether it is appropriate to accept that money simply leads to endless debate". College President Dave Frohnmayer adopted a similar comatose posture toward the moral dilemma of taking money from Nike, saying he wasn't sure the charges against Nike were true (even though they've been amply documented) and that his university was "not in the position to be the world's fact finder".

Nike also offered up $500,000 to the Portland public schools, a thoughtful gesture though 400 times less than the $200 million deal Nike closed with Brazil's soccer team at roughly the same time. Portland's Metropolitan Human Rights Commission asked that the school system "respectfully decline" the gift because of the company's labor practices abroad. "I do not believe that the children of Portland are more important than the children of Pakistan or India or China," said Lowen Berman, a memberof the Human Rights Commission and the mother of two children in the city's public school system. "I cannot say it is not my business to question where the money is coming from."

Portland hasn't yet announced whether it will accept Nike's money. ■

The Magic Plane

The V-22 Osprey, a vertical lift-off plane, is one of those useless weapons systems that survives because it enriches its well-connected manufacturers, in this case Boeing and Bell Helicopter. These two companies gave roughly $400,000 each to federal candidates between January of 1993 and June of 1995, thereby ensuring bipartisan support. Late last year Congress included another $757 million for the V-22 in the military budget.

From the perspective of Pentagon porkers, the V-22 has special appeal. Because it is incapable of carrying any of the military's current inventory of fighting vehicles, the V-22 paved the way for a subsidiary boondoggle, the armored dune buggy. Said vehicle, which is capable of attaining speeds of 80 miles per hour, is being designed especially to fit on the V-22.

Two of the V-22's most ardent supporters in Congress are Rep. Pete Geren (D-Texas) and Curt Weldon (R-Pennsylvania), who received $11,500 and $11,000 from Boeing and Bell Helicopter, respectively, during the past few years. To build support for the aircraft the two congressmen sent colleagues a copy of a cartoon book, *Alyssa, Albert & the Magic Plane*, which is "dedicated to all those individuals who have devoted their time, talent and vision" to the V-22.

The comic book opens with little Alyssa playing in her backyard with Albert, a stuffed animal which springs to life. The pair dream of attending the Olympics in Atlanta but grow despondent upon concluding that they won't be able to get to the games by bicycle (too far), truck (no driver's license), boat (no water near Atlanta), the Space Shuttle (impractical), or a variety of other means.

Just as the cuddly duo have reached the point of despair a "Magic Plane", the V-22, lands in the backyard to fly them to Atlanta. After "meeting people from all over the world and learning new games", Alyssa and Albert remember that "daddy would be done fixing the kitchen sink very soon and that they needed to get back home. Alyssa wished again for the Magic Plane to come take them home. And it did!"

Coming soon: Lockheed signs Barney to lobby for Star Wars. ■

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(The Curse, continued from p. 3)
earthed Shoshone bones at Ballona while constructing the Hughes Aircraft hangars on a small patch of the wetlands, where the repellent millionaire later built the Spruce Goose, at the time the world's largest plane. The Goose flew only once and is now on display in McMinnville, Oregon, on the premises of CIA-linked Evergreen Aviation.

For twenty years the Hughes interests tried to build on the wetlands, only to be beaten back by either inability to finance the project or by civic protests. After a final lawsuit brought by environmentalists in the mid-1980s, the Hughes Company quit, moved to Arizona and ceded its principal interest to McGuire, Thomas Partners, the largest developer in L.A.

At first, McGuire seemed to be prospering in its efforts to put together a development deal, which McGuire publicists stressed would be "environmentally friendly" — a kind of super-green Century City at twice the size. Buildings would utilize passive solar designs and there would be an onsite recycling center.

One of the biggest environmental concerns is that development of the whole area, with 30,000 new residents plus 20,000 workers, would produce 200,000 car trips a day, adding ten tons of smog to the city's already lethal toxic soup.

To counter this concern, McGuire, Thomas Partners announced their intentions to purchase electric and natural gas powered busses to shuttle people around what was alluringly termed the "Ballona campus". McGuire Thomas also pledged to create 180 acres of "new" wetlands to substitute for the 950 acres scheduled for destruction. The local enviro groups that had defeated Hughes were lured on board with these bright promises. A settlement was reached and the lawsuit suddenly dropped.

Soon thereafter, the Friends of the Ballona Wetlands – the lead litigant against the original proposal – began showing up at planning commission meetings and environmental gatherings promoting the new development plan. "This is the best thing for Ballona," said the group's Ruth Lansford. "It will be a sensitive development. Any other developer might destroy the entire wetland. We just can't save the whole area." What goes unsaid at City Council meetings and unreported in the *Los Angeles Times* and *Washington Post* is that Lansford's group is bound by the terms of the settlement to support the project publicly, at the beck and call of the developers.

Then in the early 1990s, the Los Angeles real estate market collapsed. Values plunged, by two-thirds since the glory days of the 1980s. According to the *Los Angeles Business Journal*, condos once selling for $350,000 are now going for less than $150,000. Downtown office vacancy rates are at 20 percent of capacity. Bad news for McGuire, Thomas which had just built in downtown LA the 72-story First Interstate Tower, a grotesque

This Party Brought to You by ...

When the Democrats returned to Chicago for their convention, the party received a warm embrace from some of America's biggest corporations. While federal laws prohibit corporations from giving money directly to presidential campaigns, a loophole in the law allows businesses to shovel unlimited amounts of cash to fundraising committees for the presidential nominating conventions. According to a report by the Center for Responsive Politics, more than 70 businesses, trade associations, and unions forked over $100,000 to Chicago '96, the host committee for the convention. Ten of the 70 groups contributing to the Democrats also ponied up $100,000 for the Republican Convention in San Diego two weeks earlier. For their generousity, the corporations and unions were named vice chairs of the Convention.

Here's a brief list of some of the more unusual sponsors of the Democratic Party's gathering in Chicago.

- **AMOCO** The oil and gas giant that is promoting weakening of environmental laws and the opening of the Arctic National Wildlife Refuge to oil drilling.
- **Archer-Daniels-Midland** Dwayne Andreas's mammoth agribusiness enterprise, notorious for lavish contributions to both parties, is eager to maintain federal subsidies for ethanol. Also vice-chair of Republican Convention.
- **Brinson Partners** Swiss-owned banking house, anxious about investigations into money laundering.
- **Browning-Ferris Industries** One of the nation's biggest waste-handling firms, operates landfills, incinerators, and reprocessing plants. Wants regional monopolies and weakened clean air and water rules. Also vice-chair of Republicans.
- **Chicago Board of Trade** Where Hillary made her fortune in futures.
- **Fruit of the Loom** Wants US help in marketing textiles to Third World; its CEO, William Farley, is co-chair of the Dole Campaign.
- **JP Morgan** The financial house is prickly about impending securities and banking reform.
- **Kraft Foods** Part of the Phillip Morris empire, their executives celebrated after repeal of the anti-pesticide Delaney Clause. Also sponsored Republicans.
- **Lockheed/Martin** The Cold War may be over, but defense contracts remain the biggest chunk of pork in the federal budget. Lockheed also wants to fend off an attempt to close a loophole requiring the government to finance the merger and acquisition costs of defense contractors. One of the Republicans' top contributors.
- **Paine/Webber** Closely scrutinizing banking, securities, and tax policy. Oddly, its executive officers are among the biggest financial backers of Sen. Alphonse D'Amato, the Torquemada of Whitewater.
- **Sears, Roebuck** Sears is uptight about product liability following a $3.8 million judgement against the company last year after a defective radial saw severed a California man's hand.
- **Tenneco** A true conglomerate involved in oil, paper mills, and utilities. But the big prize for Tenneco appears to be Navy contracts. The company is eyeing a $700 million contract to develop a new nuclear powered submarine.
- **WMX** Formerly known as Waste Management, it's Browning-Ferris's main competitor. Though neither really want to compete. They'd much rather have Congress enact flow control legislation guaranteeing each company local monopolies on waste disposal. WMX's lobbyists wrote legislative language on Superfund, Clean Air and Water laws. ■

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post-modernist structure that is the largest office building on the Pacific slope.

At this tottering moment in the scheme's fortunes McGuire, Thomas ushered onto the battlefield America's premier moviemaker, Stephen Spielberg. McGuire, Thomas told the city of Los Angeles that the Dreamworks Film and Recording Studios would be the anchor tenant for the development, if the City would only offer tax breaks and fee abatements. Led by Councilwoman Ruth Galanter, a former opponent of the scheme now flush with campaign contributions from the developers, the Council swiftly agreed to give the project $70 million in subsidies. The lone voice of opposition was that of Councilman Nate Holden, of South Central LA, a former engineer at Hughes. "This is a welfare program for billionaires," Holden protested. "It's taking money out of the city's poorer communities."

Holden tells us that after the LA riots, he tried to get the LA City Council to approve a thousand or so $500 grants for small businesses to rebuild in the charred landscape of Compton. The proposal didn't even get a hearing. The inequity of the $70 million hand-out to Spielberg and company grates on Holden. He points out that among other things, Dreamworks will receive a 50 percent reduction in sewer fees at the same time the poorest areas of LA are getting hit with an $11 per household increase.

With the abatements in place, the truth was revealed. Dreamworks was no mere tenant. It was a third-owner of the development, the entire future city, described in the Dreamworks press release as a "global prototype for the workplace and community of the future." LA's contribution of $70 million was just the beginning of the subsidies flowing into the project. Pete Wilson swiftly announced that the state would kick in $40 million. Then it was announced that the project had been certified for $350 million worth of Mello-Roos bonds underwritten by the city of Los Angeles.

Last year, Spielberg put up $50,000 for Pete Wilson's ill-fated presidential bid. Spielberg is also one of the leading contributors to Republican Richard Riordan, snubbing Tom Hayden, a critic of the Ballona project, who has announced his interest in challenging Riordan in next year's LA mayoral race. It's not surprising, therefore, that Vice President Al Gore has been on the phone since December urging holdouts in Los Angeles's enviro world to come aboard the development. "It's time," Gore told a Sierra Club leader, "for environmentalists to support good projects." Gore has been angling for a photo op at the Dreamworks site with the prime partners, touting it as a crowning example of Third Wave environmentalism, where the environment and developers can coexist in ecological harmony.

With Dreamworks as a partner, the buying up of potential opponents proceeded at a brisk pace.

- California Seantor Barbara Boxer, a congressional champion of wetlands, has remained silent on the Ballona controversy, perhaps because of the hefty campaign contributions raised on her behalf at Spielberg, Geffen and Katzenberg events and her close work with Spielberg on the Survivors of the Shoah Project.
- The National Audubon Society has been given at least $50,000 as a gift from the developers. Audubon has opened an office near the site and is currently giving eco-tours, promoting the future city which will destroy one of the prime staging areas for migratory birds on the West Coast.
- The local Heal the Bay organization has been given a $7,000 grant from the Geffen Foundation. When its executive director publicly questioned some features of the development, he was bullied by Geffen's agents and reminded of who was paying the bills.
- The Environmental Media Association, started up in the late 1980s to acquaint Hollywood with environmental issues. Dreamworks hired EMA's founder Andy Spahn to be their political consultant. (Spahn also serves now as director of the Geffen Foundation.) EMA, on whose board sits Robert Redford, took the opportunity – soon after Dreamworks' role in the Ballona project was revealed – to praise the scheme on the front page of its national newsletter as an environmentally-friendly development. To know the close and fructifying ties of do-good Hollywood, try calling EMA. The group is given space by the Hollywood Women's Political Caucus. Indeed, dialing EMA's number elicits the reply, "Hollywood Women's Political Caucus", on whose board sits Kate Capshaw, wife of Stephen Spielberg.
- Consider American Oceans only months ago released a report citing the Santa Monica Bay as one of the nation's most polluted estuaries. American Oceans was founded by actor Ted Danson, most recently seen in Chicago at the Democratic National Convention, in the company of his wife Mary Steenbergen, sitting in a sky box close to Hillary. When asked why he was present, Danson answered that his wife was "best friends with the Clintons" and that he was devoting his political life to "saving the American environment, especially its oceans and wetlands". Yet American Oceans has not uttered a word of criticism against the destruction of the Ballona wetlands, located only a few blocks from their west-coast offices and from Danson and Steenbergen's abode. Its former chief policy analyst, Lisa Wylie, was recently hired by the Ballona developers as a public relations officer. It turns out that the first television program produced by Dreamworks is a sitcom

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titled *Inc.*, starring ... Ted Danson and Mary Steenbergen.

Even with all these captured opponents and all this huge financial and patronage firepower, the scheme may well fail. There is fierce and growing resistance from such organizations as the Ballona Valley Preservation League, Sierra Club, Earth First!, the Shoshone-Gabrielino Nation, Wetlands Action Network and 40 other community and church groups. Movie premieres have been picketed, dozens of protesters have been arrested at the site and new lawsuits are being prepared. The whole scheme is financially rickety and depends on the star power and political clout brought by Dreamworks, particularly Spielberg.

Spielberg's mystique rests in part on his supposed liberal sensibilities. Like the Disney Corporation, Spielberg becomes nervous when too glaringly displayed as a rape-and-pillage real estate speculator and a political powerbroker. That's why the opponents of the project placed a full-page ad in *Variety* and the *Los Angeles Times*, telling the story of Ballona's impending destruction under the headline: Dreamworks — "Dreaming Big, Acting Small".

So the game is far from over. The curse of Ballona may once again take hold, gripping the Dreamworks tycoons as it did Howard Hughes. Before it's too late, Spielberg should re-screen his film, *Poltergeist*, in which California real estate barons build a mini-city on an Indian burial site and then all hell breaks loose. There must be a better way for Vera Rocha and her people to say, "We're back."■

Schindler's Check

Stephen Spielberg's political investments continue to reap rich rewards for Hollywood's most powerful executive. For one thing, Spielberg has become something of a national icon, praised on both sides of the political aisle as the cinematic equivalent of Mother Teresa. A computer search of the Congressional Record turned up 57 references to the mogul in the last year alone, praising his "uncompromising conscience" and "fine soul".

Most of the congressional encomia to Spielberg noted his "courageous" film *Schindler's List*. The legislator most eager to link himself to this film was Rep. Tom Lantos, a Democrat from California. Lantos boasted on the floor of the House of his ultimately successful efforts to force the government of Indonesia to allow *Schindler's List* to be screened in theaters in Jakarta. Lantos railed that "Indonesia was one of the few countries on Earth which refused to permit the movie to be shown." Lantos called the act of censorship "a moral outrage" and said it was evidence of the "blatantly anti-Semitic and racist" nature of the government. A search of the Congressional Record fails to turn up any similar references by Lantos to the genocide committed by the Indonesian regime following its invasion of East Timor.

When Spielberg accepted his Oscar "on behalf of the six million" for *Schindler's List*, he pledged not to retain a dime of the profits from the movie for his personal enrichment. Instead, Spielberg vowed to divert the money into his Survivors of the Shoah Foundation, a nonprofit group that is cataloging on high-tech CD-ROMs videotaped interviews of Jewish survivors of the Holocaust. According to *Variety*, *Schindler's List* is one of the most profitable movies ever made, ringing up more than $300 million in worldwide receipts. Yet, a review of the foundation's IRS filings reveals that Spielberg's Shoah Project was seeded with less than $30 million and much of that money has come from outside sources, not the proceeds from *Schindler's List*. Indeed, the list of contributors to the Shoah Foundation reads like an honor role of the financial titans of contemporary American capitalism: Walter Anneberg, Capital Cities/ABC, UPS, NBC, the Bronfman family, Silicon Graphics, Geffen Foundation, Steve Tisch, MCA, Michael Ovitz, Sony, Time/Warner, Ronald Perelman, Hasbro Toys, the Ziff Family, Lew Wasserman, and Henry Kravis.

Earlier this year Spielberg, a near billionaire, turned to Congress for financial help. In a rarely used procedure, Senators Barbara Boxer and Arlen Spector swiftly drafted a congressional grant of $1 million to the Shoah Foundation. The bill notes that the funds were granted "because of the extraordinary work and contribution of Mr. Stephen Spielberg". The one-of-a-kind grant was approved unanimously. At a July ceremony in Washington, DC, Spector handed the million dollar check to Speilberg, saying that he "had performed a priceless service to history and humanity". ■

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